

POISON BOOZE KILLS TWO, ONE A WOMAN; FEW HOLIDAY RAIDS

New Year's Day Sees Long
String of Victims of
Drugged Liquors.

ONE DIES IN SUBWAY

Shootings, Stabbings and
One Holdup Laid to In-
fluences of Hooch.

HOSPITALS KEPT BUSY

Reisenweber's Visited by Dry
Agents—Summonses Given
to Gay Whisky Parties.

That benzine and prune juice do not
make rye whiskey, nor creosote and
wood alcohol Scotch, was demonstrated
so many times yesterday and Satur-
day night that there doesn't seem to
be any argument left.

Directly and indirectly these erst-
while fallacies contributed to the gen-
eral excitement attending the exodus
of the old and the genesis of the new
year, at least two deaths, with more
to come, innumerable fights in which
bottles, blackjacks, pistols and knives
took prominent parts, and an impres-
sive list of poisonings that will be sure
to augment the death record. A start-
ling number of the victims were young.
The old timers seemed to have
sense enough to go thirsty, or drink
safe booze.

There is no reliable evidence that
the old wood alcohol syndicate had
revived again and had flooded the city
with its lethal liquor, but there was
no dearth of the stuff. Whatever it
was and wherever it came from, it was
responsible for everything—from milk
bottle brawls to wanton shootings and
slashings that didn't have even the
excuse of robbery to fall back on. The
new year was ushered in by a
comparative few holdups and there
was no new record established in ar-
rests.

The police say that the reason lies in
the fact that most of the liquor drink-
ing was done privately, that is in homes
and clubs and rooms and halls hired
for the occasion. The majority of the
cafes and cabaret establishments closed
early. Aside from a few instances these
resorts sold no booze. What libating
there was in these public places was
done with booze carried in handbags by
the diners who had reserved tables.

Private Parties All Very Wet.

But the action was had in the private
still parties and the many soirees where
the old black and fall stuff was con-
sumed. And direct results were ob-
tained by the lads who bought bottled
explosives from druggists, grocers, art
dealers, haberdashers, delicatessen mer-
chants and other enterprising business
men who are bridging the chasm of
social despond by handling hooch.

It would take many statisticians
many days to ascertain just how many
bottled bottles littered the streets yester-
day morning. In various parts of the
city the police reported that the
bottle burials fell precisely at mid-
night. A typical instance is told by
the patrolmen who were on duty in
Broome street between Center Market
place and the Bowery. Midnight arrived,
the whistles and bells set up their
annual serenade and an hour later a
hundred window sashes were raised, almost
simultaneously.

Then out of those opened windows
bottles were hurled in great numbers and
bottles, drained of their fearful con-
tents and hurled into the street, just to
show that their purchasers didn't care
whether they were or not. The same sort
of thing occurred in various streets in
Harlem, The Bronx and Brooklyn.

The magistrates' courts yesterday
maintained order and peace. Back in pre-
prohibition days the courts were over-
flowing with overwhelmed New Year's
morning, but the culprit looked like
living personage, little the worse for
being so. They were sure, but still alive. They
used to pay their fines, bow politely to
the court, go out and purchase a reviv-
ing draught and be almost if not quite
as serviceable as ever.

Either Drugged or Drunk.

But the prisoners of yesterday morn-
ing—those taken in for being drunk—
were still drunk, or better, drugged.
There were relatively few of them, about
twenty. Those who could stand, walk and
hear were turned loose with a lecture
and a fine. They shuffled off, feeling as
they had never felt before and feeling
humbly thankful that they could still
see and were not dying in a hospital.
Those who looked as though they were
to collapse again were hustled off to
hospital.

There was a bit of a celebration in the
Rainbow Club, 11 Minetta lane, Green-
wich Village. The membership of the
Rainbow Club is chiefly Italian. An
argument started soon after midnight.
Giuseppe Dalarata said that it was 1922
and his friend Benno Marti thought it
was only 1920. In the ensuing fight
John Caffro, 11 Charles street, was
stabbed in the abdomen and taken to
St. Vincent's Hospital. Later on John
Simeone reported at the hospital with a
bullet in his right forearm, and he ac-
cused Caffro of doing the shooting. So
Caffro, despite the fact that he is in
poorly built, is under arrest, charged
with felonious assault.

Twelve Federal run sleuths, headed
by Assistant Chief Enforcement Agent
R. J. Merrick, swooped down on Reisen-
weber at 217½ Eighth street and
Eighty avenue, at two in the morning
and served summonses on six diners,
the proprietor and his son. They will
appear tomorrow before United States
Commissioner Hitchcock to answer

Dryest New Year's Ever in History of Nation

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau,
Washington, D. C., Jan. 1.
THE celebration of this New
Year's Day was the dryest
in the history of the country,
according to James E. Jones, Acting
Prohibition Commissioner. Hotels,
where the chief celebrations were
held, were shown by Mr. Jones's
reports to have been almost liquor-
less.

His reports from New York say
the New Year's Eve parties were
lively but orderly, and the Commis-
sioner believes that the city set a
new record for dryness. His re-
ports tell of only occasional wine
and whisky parties found by his
agents in New York. Better en-
forcement and fear of the ill effects
of bootleg liquor are the reasons
given for the Sahara conditions.

BROOKLYN SHAKEN BY GAS EXPLOSION

Manhole Covers Blown Up at
Bond and Livingston Sts.
in Shopping Center.

\$25,000 IN GLASS BROKEN

Only Man in Range Escapes
Death by Two Feet—18
Families Driven Out.

A terrific explosion, believed to have
been caused by gas which had been
collecting in electric conduits under
the street for three or four days—
possibly a week—drove two manhole
covers into the air at Livingston and
Bond streets, in the downtown shop-
ping district of Brooklyn, yesterday,
shook the vicinity like an earthquake
and sent shivering to the street the
window panes and big plate glass win-
dows in apartments and store build-
ings in a radius of two blocks.

The loss in glass was estimated at
\$25,000. In houses in Bond, Living-
ston, Schermerhorn and State streets
people felt the walls shudder. Chairs
were moved as by a mighty hand sev-
eral inches on the floor. Except for
the roar of the concentrated wave of
gas they would have thought an earth-
quake had set the foundation of Brook-
lyn shivering.

A mile away people ran out of their
houses alarmed by the detonation. Fol-
lowing the explosion were two whiffs of
flame flashing thirty feet above the
street from the manholes, whose covers
had been sent crashing off skyward.

Glass Continues to Fall.

Crowds on their way to the motion
picture and other theaters in the vicin-
ity of Fulton street were greatly alarmed
after the roar by the repeated long series
of crackling, tinkling hammerings on the
sidewalks and pavements. The glass
was falling. It did not fall all at once.
The big plate windows of Freedman's
Lumber & Co.'s store at Elm place and
Livingston street and those of A. L.
Namin & Sons opposite had broken at
the first impact. But in the upper win-
dows of Loesser's seven story building
glass that had been broken partly by
the explosion fell only when the wind
whirled it.

Apartment houses also were suddenly
bereft of this glass protection from the
increasing cold. Eighteen families
found their homes too cool to
live in and were forced to seek other
quarters for the night. All the win-
dows, front and rear, were blown out
of the four story apartment house at 230
Livingston street and from the umbrella
store of Isaac Smith and the optical
store of Bechtold & Co. on the first floor.
At 22½ Charles street a six story
apartment house was hit by the sudden
draft, as the windows broke under the
concussion, and the chill wind blew in.

Escapes Death by Two Feet.

Only one person was hurt. His
escape from death measured by a tape
was two feet. One of the manhole
covers fell from the air within that
distance of Charles street, 21, an elec-
trician, of 204 Livingston street, at Bond
and Livingston streets, ten feet from
the blasted manholes. The explosion
passed him by and did not fall. Before
he could recover the manhole cover
landed beside him and was broken. One
of the pieces rolled over against his
right leg. It cut the flesh deeply, and
knocked him down. He was attended
at Cumberland Street Hospital.

Rub was the only person in the street
in the immediate vicinity. Further
down the block were Patrimoine Strahan
and Baseman, who had smelled gas
strongly in the neighborhood for more
than an hour before the explosion.
They had been trying to trace the leak,
but the odor was distributed by the wind.

Ten minutes after the explosion thou-
sands of people had gathered, and po-
lice reserves were called from the But-
ler, Poplar and Bergen street stations.
Ambulances responded from Cumber-
land street and Holy Family Hospital.
Glass was still falling as crowds con-
tinued to fall from windows for more than an
hour, and because of the danger to
those who would venture into the block
the police closed off the district at Bond
and Livingston streets, Fulton street
at Elm place and Livingston street at
Hoyt street.

Trolley cars were kept from passing
through Livingston street and were
routed by way of Fulton street around
the Borough Hall loop, with the ex-
ception of the Park row cars for Man-
hattan.

One of the conduit covers blown off
was of the Brooklyn Edison Company,
and the other of the New York Tele-
phone Company. The Edison company
disclaimed responsibility for the ex-
plosion. A crew of workmen from the
Brooklyn Union Gas Company began
investigating, but their foreman re-
fused to make any statement, and
Mr. Wood at the main office to whom
he referred questioners also declined to
offer an explanation.

The police conducted an inquiry and
reported that "gas in an Edison conduit
at Livingston street, near Elm place, be-
came ignited and caused an explosion."

1922 What Will It Mean to Us?

There is nothing very exciting in sight for
1922; there is nothing gloomy in sight for 1922.
1921 has given a good account of itself in carry-
ing on the great work of deflation initiated in
1920. 1919 hit the sky in reckless expansion,
reckless speculation and reckless spending.

When 1920 set its feet squarely against all this
the shock to business and to the country was like
that to the passengers on a fast speeding train
when the air brakes are suddenly and savagely
jammed on.

In its strong, decisive action 1920 paralyzed in-
dustry, obliterated speculation and spread gloom
everywhere. Ingenious finance crashed to earth in
a day, a tangled, unrecognizable mass of avarice.
The mutterings of despair, the cries of broken
hopes and broken fortunes rang throughout the
land.

But 1920 never wavered. Its business was to
save America from industrial, commercial and
banking collapse. It went straight on with its
work of deflation to the end of its days.

Then its successor, 1921, shouldered the burden
and, considered by and large, has made a good job
of it. If it had succeeded in deflating the wage
scale there would have followed automatically
deflation in transportation costs and in all costs of
living. House rents and coal and light and food-
stuffs and wearing materials would have got back
to pre-war prices.

Its failure in respect of the wage scale alone
robs 1921 of the glory of genius. If only it could
have succeeded in bringing labor costs back to
normal, industry everywhere would have sprung
into activity and general prosperity would have
gladdened the entire country.

But while failing to achieve all we could have
wished for it 1921 is entitled to great praise and
great honor for disasters averted and for gen-
erally cleaning up the debris of the wreckage of
1920. It reestablished our big banking centers on a
sound basis, and this, in the overstrained condi-
tion resulting from the 1919 orgy, was a big piece
of work.

1921 wrote down and wrote off frozen credits
in the big fields, disposed of vast stocks of mer-
chandise that its predecessor failed to move, gave
us easy money at reasonable interest rates and so
stabilized our point of view that in large measure
we have readjusted ourselves to life in the valley
with its calmer sense, its saner economy and
sounder realization of the philosophy and econ-
omics of life.

1922 takes up its work under conditions enor-
mously more favorable than those its predecessor
had to face. The dangers that bulked big a year
ago in the eyes of those who knew, no longer
exist. The life blood of commerce and industry and
business is money. A year ago our big banks,
the mainstay of our economic life, were stagger-
ing under colossal burdens. Whether they would
carry through or not, whether they could carry
through or not, was the problem that disturbed
the Government and the men on the inside of the
overstrained situation.

Industry was stalled, incomes were dwarfed and
shriveled, but the Government had to have money
and the bankers had to furnish it. Manufacturers,
merchants and shippers had to have money and
the bankers had to furnish it. Interest on rail-
road bonds and all other bonds and on mortgages
had to be paid and the bankers had to furnish the
money to meet these payments. The building
trades had to have money, the cotton growers had
to have money and the vast farming industry had
to have money and the bankers had to furnish it.

Payrolls in the industries had to be met and all
other payrolls had to be met, overhead expenses
had to be met, vast taxes had to be met and the
bankers had to furnish the money. Overextended
enterprises had to be carried by the banks. Frozen
credits and slow credits, the inevitable fruitage of
the wild plunging and spending of 1919, had to be
continued and the bankers had to carry the burden.

In this situation and with a wide aggregation of
weak and dangerous spots in our financial, indus-
trial and business structure that came to loom
large, the outlook in the trying months of re-
trenchment did not make for optimism except that
grim optimism which stands calmly buoyant and
immovable in actual danger. It is a heroic and
magnificent piece of work the American bankers,
with the help of the National Reserve Bank sys-
tem, have done in a crisis that threatened an in-
comparable catastrophe.

But all this is behind us and 1922 finds condi-
tions in the large sense calm and the American
people hopeful and mildly optimistic. There is
every reason for being calm. There is no reason
for concern and there is reason for an optimism
that keeps its feet on the ground.

But we are not going to have in the immediate
future a magic awakening of business. We are
not going to have a general boom in activities.
We are not going to have a sudden return to sen-
sational speculation. The underlying conditions
though in the main sound do not warrant it, do
not indicate it.

That we shall have a better business in 1922
than we had in 1921 may safely be expected. The
country is financially sound to-day. The country
has plenty of money to-day for its activities and
to spare. Interest rates are moderate and con-
stantly trending lower. Liquidation, except in
wages, has done its work.

There is no overproduction. The shelves of
merchants are understocked rather than over-
stocked. Warehouses are not filled with goods.
Two years of economy with the American people,
two years of watchful, careful buying have worn

wardrobes threadbare and made inroads in house-
hold equipments. In this situation and in the very
nature of the case there will be a better and wider
demand for products of the American loom and
the American workshop than merchants have been
called upon to meet since the ax struck at the root
of inflation two years ago.

This greater demand for goods will give work
to many men and to many women who are now
idle, and as they again become wage earners they
will add to the purchasing power of the country
and so in turn will make additional work for
themselves.

Considered in this respect the better business
in sight is largely in response to the desire and
necessity of replenishing wardrobes, replenishing
household equipments, the construction of new
habitations and the rehabilitation of old habita-
tions.

Approaching the markets in this way with de-
pleted pocketbooks, and still under the spell of
economy, the American people are not going to
get gay in a minute and buy everything in sight.
On the contrary, they will buy cautiously, wisely
and as they should buy.

This kind of demand on the part of American
purchasers alone, though large in the aggregate,
never gave us a business boom and never will.
Business booms come from foreign buying and
general American opulence supplemented by an
era of speculation and lavish spending.

We are not going to have the foreign demand
for our products which in addition to our domestic
demand would keep our industries working at
high pressure. We are not going to have the fore-
ign demand for the reason that with our present
cost of production, with our high wages, our goods
cannot compete in foreign markets with the prod-
ucts of our foreign competitors.

So long as the American wage stands greatly
in excess of the foreign wage just so long fore-
ign markets will belong to foreign producers.
Our cost of production, except in certain raw
materials and in certain foodstuffs, is now so
high with present transportation costs due in
turn to the high wage scale that American goods
are generally shut out from foreign markets.

This means with present cost of production that
America will remain a walled in nation, so far as
concerns foreign trade, just so long as our cost of
production is in excess of the cost of production
in the big producing countries that reach out for
world trade.

A sound, sane reduction in the wage scale with
a return to genuine efficiency, the spirit of giving
full measure work for the wage received would
speedily force open the doors of foreign markets
to America. They never will be opened to America
until American prices are right.

An active stock market is usually the forerunner
of an active stock market and an active stock mar-
ket is generally followed by active business.

From the fact that the last half of 1921 gave
us a buoyant, booming bond market we must not
assume that we are on the verge of wide specula-
tion, however, considering all that enters into and
has a bearing on the situation, that Wall Street is
reasonably sure to take on a considerable awak-
ening before we get far into 1922.

This does not mean wild price inflation or wild
speculation. And it does not mean an inundation
of new flotations. It is my guess that worth-
while securities are likely to share in the upward
trend of bonds. This should be particularly true
of issues now selling below their value, and their
value determined by the most thorough investiga-
tion of the properties represented by stock issues.

That the general public is wholly incapable of
determining values is certain. No one not himself
a judge of values should put money into stock
issues except those that are known to be sound
through and through. The general public would
show great wisdom in confining its investments
to Government or other sound bonds.

I am digressing from the subject under consid-
eration solely with the purpose of cautioning wage
earners and others who have no right to jeopard-
ize their money by putting it into speculative
securities except on the advice of men of seasoned
judgment on security values.

Though the conditions generally favor better
business and better security values in 1922 than
1921 gave us, there are still too many cross cur-
rents tending to neutralize advancement to justify
a very robust optimism.

The transportation situation stands out boldly
as an instance of a vast unsolved problem, perhaps
unsolvable, whose roots run deep into our entire
financial and economic structure. If this were
cleared up and so cleared up as to give confidence
to investors, so cleared up as to give us right
transportation rates, so cleared up as to give us
the safest and best railroads in the world, so
cleared up as to get the people of the whole
country back of their railroads, in jealous support
of their railroads, the banking situation would be
clarified and the price of all sound securities
stabilized.

Until the railroad situation is made right and
until the wage scale is brought down to a right
basis I see no great run of brilliant prosperity
ahead. We are sure of one or two fundamental
facts, however. One of these is that we are not
now hovering over a powder mine. Another is
that there is nothing in our situation that cannot
be cured by honest work and plenty of it.

A nation grows into strength or falls into weak-
ness in accordance with the measure of its people's
productive work.

President Condoles with Family of Dead Senator

WASHINGTON, Jan. 1.—Pres-
ident Harding to-night
sent the following tele-
gram addressed to Dr. Charles Pen-
rose of Philadelphia:

I have been greatly shocked
and grieved to learn of the sud-
den death of your distinguished
brother, Senator Penrose. The
shock is all the greater since it is
only a few days ago that he
expressed the hope, during a
personal call at the White
House, that he would give his
full energies to the solution of
pending public problems. From
my long acquaintance and my
term of public service with him
I came to have a very high re-
gard for his exceptional abili-
ties and his fine estimate of pub-
lic duty. His personal aid and
counsel was one of great delight to all
who knew him well.
WARREN G. HARDING.

M'CUMBER TAKES UP TASKS OF PENROSE

Will Have Charge of Tax and
Tariff Legislation in
Senate.

IN AGRICULTURAL BLOC

No Change in Policy Expected,
Though North Dakotan May
Press Soldier Bonus.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau,
Washington, D. C., Jan. 1.

Under the seniority rule Senator
Porter J. McCumber (North Dakota)
will become chairman of the powerful
Finance Committee of the Senate as
the result of the death last night of
Senator Boies Penrose.

In that capacity Senator McCumber
will have charge of all tariff and tax
legislation in the Senate, including
the pending Fordney tariff bill. It will
be the first time in many years that
this committee has been headed by a
man representing a strictly middle
West agricultural constituency.

Mr. McCumber has been associated
with the so-called agricultural bloc,
which has sought to aid the farmers
by special legislation, but he has
prided himself on his party regularity.
Republican leaders to-day expressed
no apprehension over his leadership
of the Finance Committee.

Extreme Stand Avoided.

While he has been foremost in fights
for "farm legislation," Senator Mc-
Cumber has not allied himself with those
who have fostered measures antagonistic
to business. If there should be any
tendency in that direction on the part
of the new chairman it will be offset
by the fact that Senator Smoot (Utah),
who is regarded as one of the fore-
most authorities in Congress on finan-
cial and business affairs, will hold the
second or ranking position on the com-
mittee and will also as a part in
framing the committee policies as the
North Dakota Senator.

The belief prevails that the passing
of Senator Penrose and the elevation of
Senator McCumber will not to any ex-
tent affect the tariff policy of the com-
mittee. That measure is now ready
to be whipped into shape for submis-
sion to the Senate.

It is expected that Senator McCumber
will continue his interest in the farmers
and their products, but he will not be
holding safe convictions relative to the
reciprocity essential between farm and
factory. He might fight a little harder
for the farmer, but he will not oppose
those measures which the manu-
facturer wishes, his friends say.
However, the changed conditions will
perhaps give an impetus to the soldier
bonus measure. For some time Senator
McCumber has been the champion of
that measure in the Senate. He feels
that it is one of the vital matters to be
settled at this session of Congress. As
the directing head of the Finance Com-
mittee, he may be able to force through
some legislation to raise the needed
funds in spite of any opposition.

Death Causes Shock.

The death of Senator Penrose caused
a shock in official circles and the lead-
ers of both parties were expected to ex-
press their keen regret to-day and their
high regard for the senior Senator from
Pennsylvania.

While Senator Penrose had been in
falling health for some time his close
est friends had no idea that he was
seriously ill. The latest reports from
his bedside before he died were that
he was on the road to recovery. Dr.
Charles Penrose told Senator
Watson (Ind.) over the telephone to-
day from Philadelphia that it is the de-
sire of the family to have a strictly
private funeral. He strongly intimated
that the family would prefer that no
committees be sent to the funeral by
Congress. Their views may be revised.
President Harding may attend the fu-
neral should it not be strictly private.
Intimations to that effect were made to-
day at the White House.

Senator Penrose's colleague (Senator
Cress) may come here Tuesday morn-
ing when the Senate reconvenes and
offer the usual resolution announcing
the death, when the Senate will adjourn
for the day.

Vice-President's Tribute.

Here are some tributes paid to the
memory of Senator Penrose:
Vice-President Coolidge: Senator Pen-
rose was one of the strong personalities
of the Senate. He was a man of great
resources and great energy. He served
the State of Pennsylvania with great dili-
gence. His one great interest seemed to
be the performance of his public duties.
His service on the Finance Committee
made him one of the best informed men
in the United States on the financial
policies of the Government. He had great
capacity for adjusting differences and
extraordinary powers of leadership.
Senator McCumber: We have lost one
of the truly great men of the country.

Continued on Page Eleven.

JAPANESE PRESTIGE IN ARMS CONFERENCE AWAITS NEW TESTS

Tokio's Government to Rely
on 'Accomplished Facts'
for Asiatic Foothold.

SIBERIA IS BIG ISSUE

Vigorous Efforts to Cause
Japan's Withdrawal Will
Be Exerted.

RICH COUNTRY AT STAKE

Manchurian and Korean Prob-
lems Being Pressed for So-
lution at Parley.

By LOUIS SEIBOLD.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau,
Washington, D. C., Jan. 1.

Delegates to the international conference have
acquired themselves so creditably as
to encourage representatives of other
countries to hope for continued and
equally gratifying results of problems
requiring solution.

With the prospective and satisfac-
tory consummation of the naval pro-
gram apparently assured during the
coming week the conference is pre-
paring to enter its undivided atten-
tion on features of the Far Eastern
agenda, to adjust which the confer-
ence was partly organized.

In straightening some of the prob-
lems coming under this head the
Japanese delegates will have an op-
portunity to confirm the impression
made during discussion of the naval
ratios that the Government which
they represent also is inspired by
the ambition to assist in the correc-
tion of Oriental embarrassments.

Intrusion in Asia.

These have been mainly caused by
intrusion of Japanese policies into
the affairs of neighboring countries
on the Asiatic mainland and the as-
sertion of unusual privileges which
are not sought by other foreign coun-
tries. That some of these matters
not only merited but demanded at-
tention was the conviction of the
heads of most of the governments
represented at the time the confer-
ence was called.

Complexities and disputes over the
adjustment of naval armaments have
directed public attention away from
instead of toward Asiatic conditions
that appear to justify correction by
the conference. The time is coming,
however, when the projected naval
reforms will have been as nearly ac-
complished as the dissenting policy
of the French Republic will permit.
This will leave the conference free
to consider the demands and requests
of the people of China and of northeast-
ern Asia that existing conditions be
ended or modified.

Up to the present Japan not only
has satisfied her associates in the
conference, but it is admitted by her own
representatives that they have no
cause for complaint as to results. The
agreements negotiated by the Japan-
ese delegates with the United States,
Great Britain, France and Italy over
capital ship ratios, the four Power
Pacific treaty, the satisfactory solu-
tion of the fortifications problem and
the felicitous ending of the dispute
over the cable and wireless communi-
cations not only have pleased the dele-
gates themselves, but the Mikado's
people generally.

Respect for Japan Strengthened.

The attitude of the Japanese dele-
gates in assenting to the abrogation
of the Anglo-Japanese alliance was
for them the highest praise. Their
acquiescence to the British insistence
that the Japanese homeland be em-
braced in the four Power treaty is ap-
praised as a genuine act of sacrifice
of national pride. Wherefore as a
whole the Japanese record to date is
one that has inspired great respect
among the delegates of other countries
and tremendously increased their
prestige throughout the world.

The sole exception in this respect
has been over the Shantung dispute.
And even Japan does not appear to
have been solely at fault. It is true
she pledged her word to return Shan-
tung. It is equally true that she has
not done so, partly because of her
manifest desire to retain tremen-
dously valuable economic advantages
and to some extent due to the asser-
tion of extravagant and illogical con-
ditions of the representatives of China.

The negotiations over Shantung
have been conducted directly between
Chinese and Japanese delegates for
the reason that several of the coun-
tries represented in the conference of-
ficially sanctioned the award of Shan-
tung to Japan in the Versailles peace
treaty and do not feel that they can
renounce their own acts.

The negotiations, after proceeding
for more than a month, have reached
a stage of deadlock that may or may
not prove to be permanent. If an
agreement is ultimately reached it
would seem that both sides